

SHARE BUYBACK

EUROPEAN CORPORATE SURVEY

APRIL 2019



BNP PARIBAS

The bank for a changing world

EXANE BNP PARIBAS

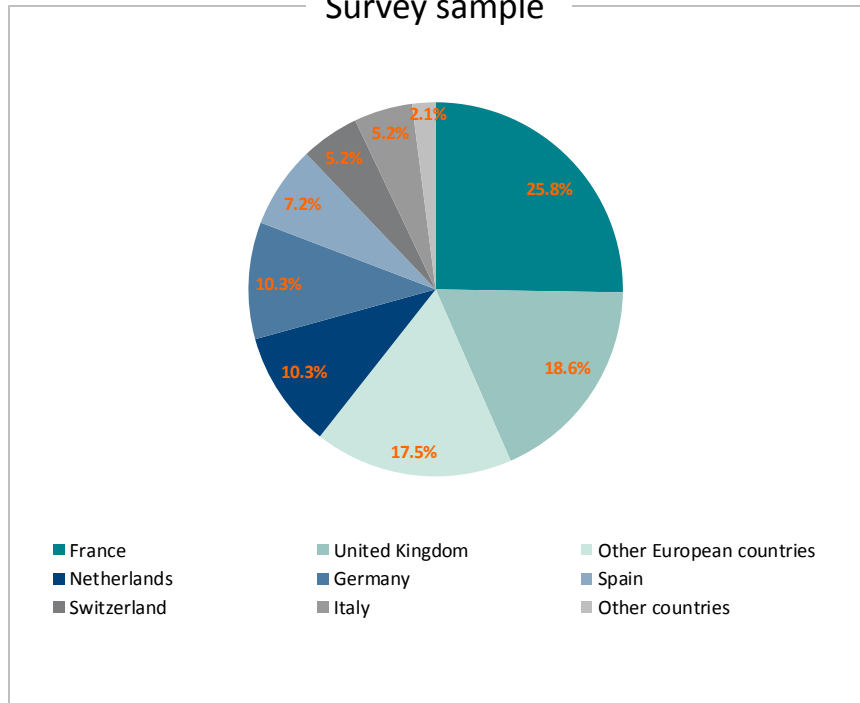
WHAT ARE CORPORATES' PLANS ON SHARE BUYBACK | SURVEY OUTCOMES



Share Buy-Back (SBB)
Survey April 2019

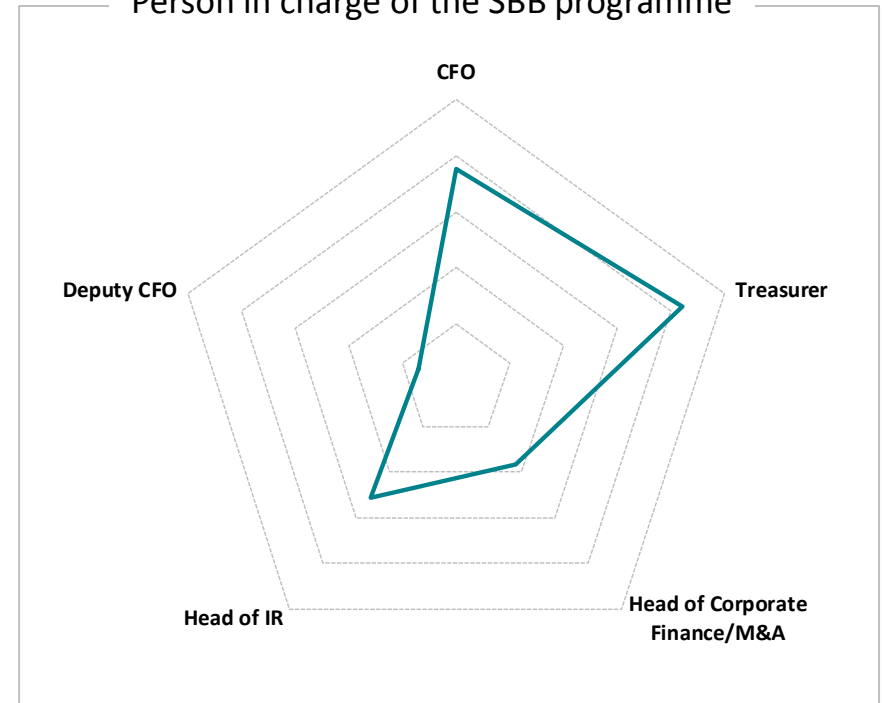
- **145** corporates interviewed across **Europe**
- SBB programs are managed by the **Treasurer** or the **CFO**. **Heads of IR** are also involved.

Survey sample



Source: Exane BNP Paribas

Person in charge of the SBB programme



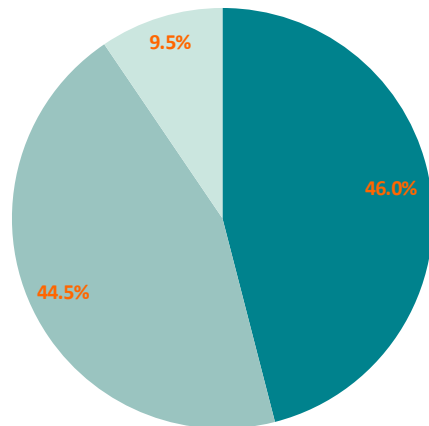
Source: Exane BNP Paribas

WHAT ARE CORPORATES' PLANS ON SHARE BUYBACK | SURVEY OUTCOMES

145 corporates interviewed across Europe

- **56%** of the corporates have a Share buyback (SBB) programme or are willing to implement a SBB.
- **48%** of the corporates think shareholders' **interest for SBB has increased.**

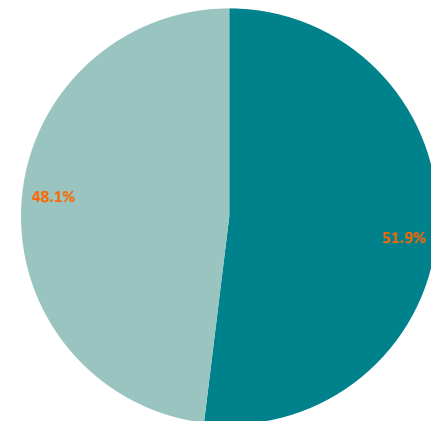
Do you have a SBB programme ?



- Yes
- No, it is not part of our short term plans
- No, but we plan to review our position in the coming months

Source: Exane BNP Paribas

How do you think shareholders' sentiment on SBB has evolved ?



- No change
- I get more questions about SBB

Source: Exane BNP Paribas

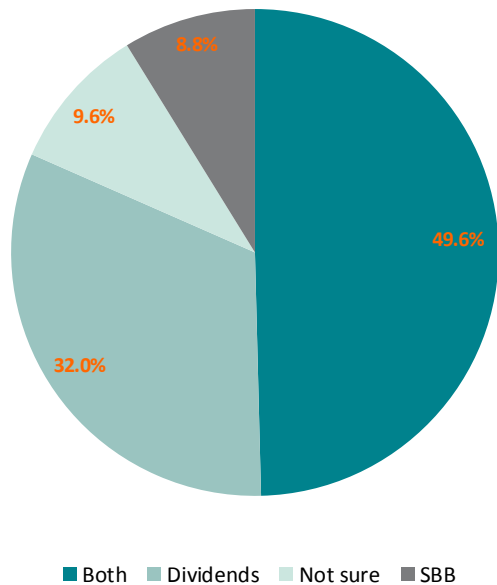
WHAT ARE CORPORATES' PLANS ON SHARE BUYBACK | SURVEY OUTCOMES



Perception of shareholders' requests

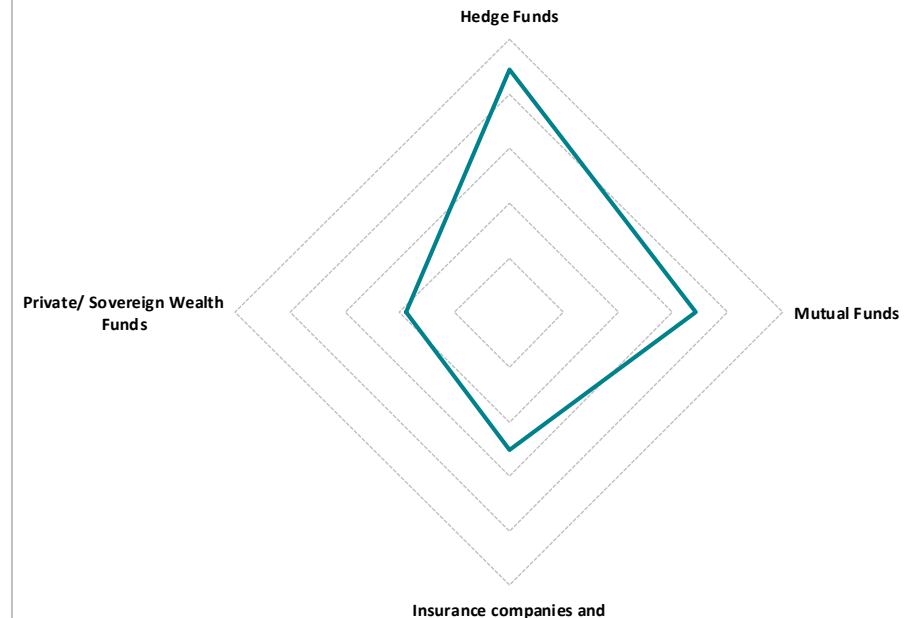
- 50% Corporates believe **shareholders want SBB and dividends.**
- Corporates also believe **hedge funds** prefer SBB.

In your view, what do shareholders prefer ?



Source: Exane BNP Paribas

Which shareholders ask for Share buyback ?



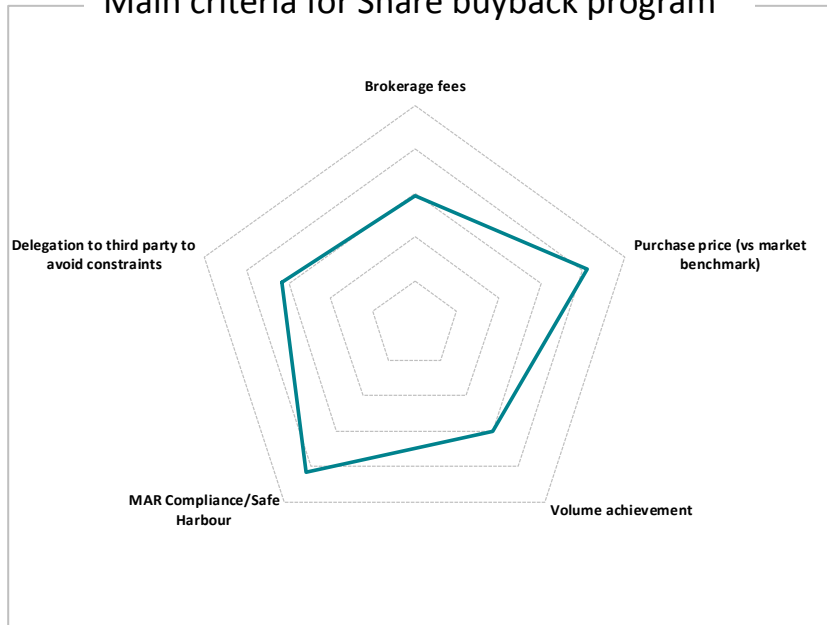
Source: Exane BNP Paribas

WHAT ARE CORPORATES' PLANS ON SHARE BUYBACK | SURVEY OUTCOMES

Main criteria for share buyback

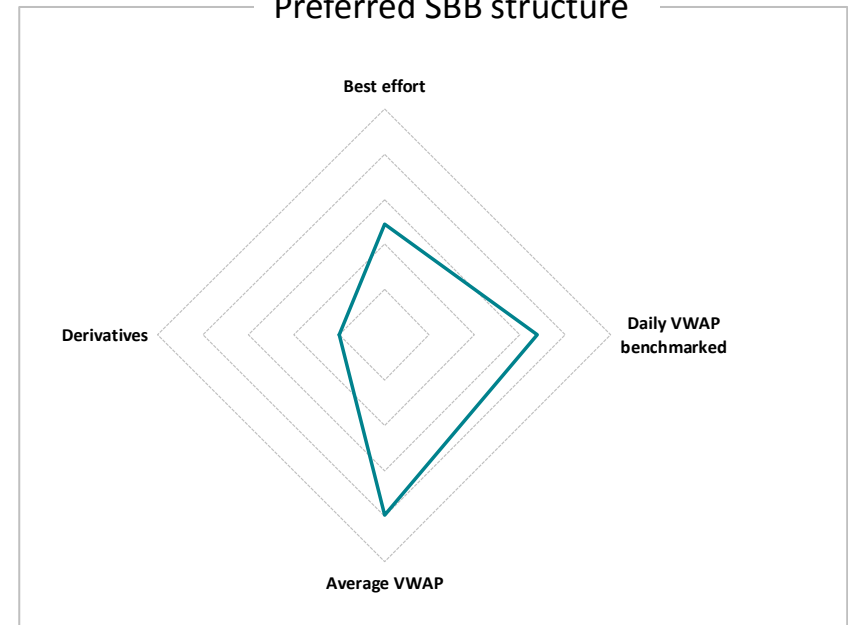
- Key criteria: **Purchase price** and **MAR compliance**
- Preferred structure is the **Average VWAP with a discount**.

Main criteria for Share buyback program



Source: Exane BNP Paribas

Preferred SBB structure



Source: Exane BNP Paribas











EUROPEAN SHARE BUYBACK MARKET | THE STRUCTURES

| Structures | Main focus | Key features | Trading strategy |
|-------------------|--|---|--|
| 1 BEST EFFORT | <ul style="list-style-type: none"> ➤ Volumes | <ul style="list-style-type: none"> ➤ Simple ➤ Flexible ➤ Cost friendly | <div style="display: flex; justify-content: space-between;"> Delegated Direct </div> |
| 2 DAILY VWAP | <ul style="list-style-type: none"> ➤ Volumes ➤ Price | <ul style="list-style-type: none"> ➤ Flexible ➤ Optimized daily price | <div style="display: flex; justify-content: space-between;"> Delegated Direct </div> |
| 3 AVERAGE VWAP | <ul style="list-style-type: none"> ➤ Price | <ul style="list-style-type: none"> ➤ Less flexible ➤ Optimized average price | Delegated |

Source: BNP Paribas



EUROPEAN SHARE BUYBACK MARKET | MAIN TRENDS BY COUNTRY

| Structures |  |  |  |
|------------|--|--|--|
| #1 | AVERAGE VWAP  50% | AVERAGE VWAP  60% | BEST EFFORT  65% |
| #2 | BEST EFFORT  35% | BEST EFFORT  25% | AVERAGE VWAP  25% |
| #3 | DAILY VWAP  15% | DAILY VWAP  15% | DAILY VWAP  10% |

Source: BNP Paribas

This presentation has been prepared by BNP PARIBAS for informational purposes only. Although the information contained in this presentation has been obtained from sources which BNP PARIBAS believes to be reliable, it has not been independently verified and no representation or warranty, express or implied, is made and no responsibility is or will be accepted by BNP PARIBAS as to or in relation to the accuracy, reliability or completeness of any such information.

Opinions expressed herein reflect the judgement of BNP PARIBAS as of the date of this presentation and may be subject to change without notice if BNP PARIBAS becomes aware of any information, whether specific or general, which may have a material impact on any such opinions.

BNP PARIBAS will not be responsible for any consequences resulting from the use of this presentation as well as the reliance upon any opinion or statement contained herein or for any omission.

This presentation is confidential and may not be reproduced (in whole or in part) nor summarised or distributed without the prior written permission of BNP PARIBAS.

© BNP PARIBAS. All rights reserved.

This material, which originates from Exane SA, neither constitutes investment research nor investment advice. This material has not been prepared in accordance with legal and regulatory guidelines relating to investment research, or in accordance with legal requirements designed to promote the independence of investment research.

All information contained within this communication has been obtained from what is reasonably believed to be reliable sources.

This material is provided solely for the information of professional investors who are expected to make their own investment decisions without undue reliance on this communication and, Exane accepts no liability whatsoever for any direct or consequential loss arising from any use of this communication or its contents.

This material is intended for the sole use of the recipient and its employees, officers and directors, and no part of this material may be reproduced, distributed or published to any third party for any purpose.



BNP PARIBAS
The bank for a changing world

